

Opening Statement of Republican Leader Greg Walden
Subcommittee on Energy
“Modernizing the Natural Gas Act to Ensure it Works for Everyone”
February 5, 2020

As Prepared for Delivery

Thank you, Mr. Chairman, for holding today’s hearing to provide Members with an opportunity to examine the role of natural gas and the challenges and opportunities to upgrade and modernize our nation’s natural gas pipeline system.

Abundant and affordable domestic natural gas has enabled the United States to become the world’s number one energy producer, while simultaneously leading the world in carbon emissions reductions. U.S. consumers are benefiting from low and stable natural gas prices. Our economy is benefitting from the jobs and investments in new infrastructure and manufacturing, and the world is benefitting from a more reliable and stable trading partner.

Over the last decade, the U.S. has become more energy secure than ever before. It wasn’t long ago when we thought we were running out of natural gas. Today, we are energy independent – we are net exporters of natural gas – and our prices remain historically low and stable.

We didn't get here because of government mandates or regulations; we owe it to technological innovation and American ingenuity for unlocking natural gas resources that were once inaccessible.

All 50 states are benefitting from the affordable, reliable resources right here in our own backyard. We don't have to depend on Russia or the Middle East for imports anymore. With energy independence, we are creating millions of American jobs, and our economy and energy security is stronger than ever before. Cheap, domestic natural gas is also helping to bring jobs back to the United States where it is used as both a fuel and feedstock in manufacturing.

American natural gas is also good for the environment. Our carbon emissions have plummeted as more natural gas is used to generate electricity, and our trading partners around the world are lowering their emissions by switching away from dirtier sources and unstable suppliers of energy.

Thanks to cleaner burning natural gas, America is leading the world in carbon emissions reductions – beating the projections of both the Waxman-Markey cap and trade bill and the Paris Climate agreement. This goes to show why Republicans continue to reject carbon taxes and more regulations. We are focused on innovation and market-driven solutions that have delivered real results.

As the United States continues to emerge as the world's global energy superpower, we must also modernize our infrastructure – especially the vast network of pipelines that we rely on to move energy from where it is produced, to where it is consumed. We have a lot of work to do – due to pipeline bottlenecks, we recently had to import Russian LNG into Boston Harbor.

Pipelines are simply the safest, most efficient way to move energy. Congress recognized this fact back in 1938 with the passage of the Natural Gas Act, and while the industry has undergone tremendous change, this statute continues to guide our policy today.

Natural gas pipelines are highly regulated. The Federal Energy Regulatory Commission (FERC) reviews pipelines to ensure they are “necessary in the public interest.” FERC also reviews pipeline rates to ensure they are “just and reasonable.”

Pipeline developers are required to complete a rigorous permitting process, sometimes lasting several years, with multiple Federal and State agencies. As we will hear from our witnesses today, the pipeline permitting process has become increasingly complex and challenging.

FERC and gas pipeline companies have been taken to court by some landowners and environmental groups over property rights and the scope of environmental reviews. States like New York and New Jersey are attempting to delay or block pipelines by withholding Federal permits and challenging the use of eminent domain. Ironically and unfortunately without access to natural gas some of these states continue to use heating oil which is more expensive for consumers and produces more greenhouse gas emissions.

Through these challenges, FERC has done a good job carrying out its responsibilities under the Natural Gas Act. The record has shown FERC to be focused on protecting interstate commerce and fair competition. FERC has also done a good job balancing the public interest with private property rights – and the announcement of a new division to respond to landowner requests is a testament to their commitment.

I plan to use today's hearing to explore these issues through the lens of the consumer and ask the important questions. What is necessary to continue to maximize the benefits of natural gas pipelines for the consumer, for the American economy, and for the security of our nation?

With that, I look forward to hearing from the witnesses, and I yield back the balance of my time.